

***Remarks***

Reconsideration of this Application is respectfully requested.

Upon entry of the foregoing amendment, claims 1, 3-11, and 13-35 are pending in the application, with claims 1, 11, 13, 20, 24, 26, 27, 30, 32, 34 and 35 being the independent claims. Claims 2 and 12 are sought to be canceled without prejudice to or disclaimer of the subject matter therein. These changes are believed to introduce no new matter, and their entry is respectfully requested.

Based on the above amendment and the following remarks, Applicants respectfully request that the Examiner reconsider all outstanding objections and rejections and that they be withdrawn.

***Rejections under 35 U.S.C. § 112***

The Examiner rejected claims 1-4 and 6-12 under 35 U.S.C. § 112, first paragraph, for allegedly failing to comply with the written description requirement. Office Action at page 2. Applicants respectfully traverse the rejection

The Examiner alleged that the instant method embraces and contemplates "determining whether any substance is capable of inhibiting any interaction between factors, known or yet to be discovered, that are involved in any upstream or downstream CD26 signaling pathway." Office Action at page 3.

In order to advance prosecution of the application, and without acquiescence to the rejection, claims 1 and 11 have been amended to recite the limitations of canceled

claim 2, limiting interaction between factors in the CD26 signaling pathway and known factors.

Applicants submit that the rejection to now canceled claims 2 and 12 (corresponding to current claims 1 and 10) was clearly erroneous. Claim 2 was directed to a method of identifying a substance that down-regulates an immune response in an animal. Claim 12 was directed to a kit for identifying a substance that down-regulates an immune response in an animal. Necessarily, when one carries out the method using the kit, one may identify whether any substance down-regulates an immune response in an animal. If the Examiner's position was correct, then all methods of screening for new drugs would not be patentable. Of course, this is not the case as many such patents have been issued by the U.S. Patent and Trademark Office.

Applicants assert that the rejection has been overcome and respectfully request that the Examiner reconsider and withdraw the rejection.

***Rejections under 35 U.S.C. § 102***

The Examiner rejected claims 1, 3, 4, 6, 7 and 8 under 35 U.S.C. § 102(a) as allegedly being anticipated by Williams *et al.* (*Clin. Exp. Immunol.*, January 2003). Office Action at page 5. Applicants respectfully traverse the rejection.

The Examiner alleged that Williams *et al.* teach that a "CD26 inhibitor, TMC-2, was able to inhibit the interaction of CD45 and CD26 and therefore down-regulate T-cell response." Office Action at page 6.

In order to advance prosecution of the application and without acquiescence to the rejection, claim 1 has been amended to recite the limitations of canceled claim 2. Applicants assert that the cited reference does not disclose interactions defined in the amended claims.

Accordingly, Applicants respectfully submit that the pending claims are novel over Williams *et al.*, and Applicants respectfully request that the Examiner reconsider and withdraw the rejection.

***Rejections under 35 U.S.C. § 103***

The Examiner rejected claims 1, 3, 4 and 6-12 under 35 U.S.C. § 103(a) as allegedly being unpatentable over Williams *et al.* and Pei *et al.* (U.S. Patent No. 7,205,409). Office Action at page 7. Applicants respectfully traverse the rejection.

The Examiner alleged that Pei *et al.* teach "generation of libraries of inhibitors of CD26/DPP IV and teach identifying compounds capable of inhibiting the activity of CD26/DPP IV." Office Action at page 8. The Examiner further alleged that "[i]t would have been obvious to use the methods of Pei *et al.* to identify compounds that are capable of interacting with the factors in the CD26 pathway." *Id.*

In order to advance prosecution of the application and without acquiescence to the rejection, claims 1 and 11 have been amended to recite the limitations of canceled claims 2 and 12, respectively. Applicants assert that the cited references do not disclose interactions defined in the amended claims; therefore, one skilled in the art could not have arrived at the claimed invention based on the teachings therein.

Applicants assert that the rejection has been addressed by the current amendments to the claims and respectfully request that the Examiner reconsider and withdraw the rejection.

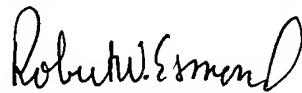
### ***Conclusion***

All of the stated grounds of objection and rejection have been properly traversed, accommodated, or rendered moot. Applicants therefore respectfully request that the Examiner reconsider all presently outstanding objections and rejections and that they be withdrawn. Applicants believe that a full and complete reply has been made to the outstanding Office Action and, as such, the present application is in condition for allowance. If the Examiner believes, for any reason, that personal communication will expedite prosecution of this application, the Examiner is invited to telephone the undersigned at the number provided.

Prompt and favorable consideration of this Amendment and Reply is respectfully requested.

Respectfully submitted,

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